

# ICSE EXAMINATION PAPER - 2024

## COMMERCIAL APPLICATIONS

### Class-10<sup>th</sup>

### (Solved)

Maximum Marks: 100

Time allowed: Two hours

Answers to this paper must be written on the paper provided separately

You will **not** be allowed to write during the first 15 minutes.

This time is to be spent in reading the question paper.

The time given at the head of this paper is the time allowed for writing the answers.

Attempt all questions from Section A and any four questions from Section B.

The intended marks for questions or parts of questions are given in brackets [ ].

### SECTION – A (40 Marks)

(Attempt all questions from this Section)

- Question-1** [20]
- Choose the correct answers to the questions from the given options.  
(Do not copy the questions, Write the correct answers only.)
- (i) Pioneer advertising is also known as ..... .  
(a) Concept advertising  
(b) Persuasive advertising  
(c) Reminder advertising  
(d) Informative advertising
- (ii) Ledger is also called the ..... .  
(a) Journal book (b) Principal book  
(c) Account book (d) Subsidiary book
- (iii) The process of assigning specific work to new employees is called ..... .  
(a) Recruitment (b) Selections  
(c) Interview (d) Placement
- (iv) In ....., the purpose is to make profit out of fluctuation in prices.  
(a) Spot market (b) Future market  
(c) Catalogue market (d) Secondary market
- (v) Which stage of marketing is characterised by hard selling?  
(a) Production oriented stage  
(b) Product oriented stage  
(c) Sales oriented stage  
(d) Societal marketing stage
- (vi) Identify which of this is **NOT** the advantage of Advertising to the consumers:  
(a) Advertisement creates a direct link between the Producer and Consumer  
(b) It provides educational value  
(c) It reduces the possibility of cheating of consumers  
(d) It helps to meet the competition in the market
- (vii) Which function of Human Resource Management deals with handling employee grievances, conflict resolution and employee counselling?  
(a) Procurement function  
(b) Development function  
(c) Integration function  
(d) Compensation function
- (viii) Which one of these is a voluntary group promoting the participation of students in learning to improve their environment?  
(a) Nature Club (b) Van Mahotsav Club  
(c) Eco-Club (d) Interact Club
- (ix) Public Relations executives must practice the art of ..... because it involves them to convince other person about some idea, product, service or institution.  
(a) Dialogue (b) Persuasion  
(c) Human Relations (d) Empathy
- (x) Costs incurred other than on material and labour for production and distribution are called ..... .  
(a) Labour cost (b) Material cost  
(c) Expense (d) Variable cost
- (xi) Marketing uses ..... .  
(a) integrated approach  
(b) persuasion and promotion  
(c) product approach  
(d) market approach
- (xii) The closing balance of this account shows surplus / deficit:  
(a) Profit & Loss Account  
(b) Receipts & Payments Account  
(c) Balance Sheet  
(d) Income & Expenditure Account
- (xiii) This is **NOT** an example of renewable energy:  
(a) Nuclear Energy (b) Natural Gas  
(c) Solar Energy (d) Tidal Energy
- (xiv) *Caveat vendor* means ..... .  
(a) let the buyer beware  
(b) let the seller beware  
(c) let the advertiser beware  
(d) let the market beware
- (xv) Marketing concentrates on ..... .  
(a) increasing the sales volume  
(b) satisfying advertiser  
(c) decreasing the sales volume  
(d) satisfying the customer

- (xvi) The central bank settles the claims of commercial banks is called .....
- Banking facility
  - Ledger facility
  - Clearing House Facility
  - Accounts facility

(xvii) Which is a very old medium of advertising?

- Television
- Film
- Outdoor
- Newspaper

(xviii) With reference to methods of training, Identify the correct statement:

- On-the-Job training is also known as 'learning by doing'.
- On-the-Job training is given to an employee who is trained outside the job.
- On-the-Job training is the process of judging the suitability of applicants in the light of job requirements.
- On-the-Job training is the process of searching for and identifying the prospective employees.

- 2 and 3
- 1 and 4
- Only 1
- Only 2

(xix) **Assertion (A):** Values are a set of standards of behaviour that are considered desirable and important by society.

**Reason (R):** These principles or standards of behaviour need not be inculcated in person through the right kind of education.

- A is false, but R is true.
- A is true, but R is false.
- Both A and R are true and R explains A.
- Both A and R are true but R does not explain A.

(xx) *Everyone loves the exclusive discounts and offers that come around during the holiday season. Your brand may already be running some discount offers.*

Based on the information given above, which of the statement given below describes the term **brand**?

- Brand means the process of assigning a distinctive name to the product by which it is to be known and remembered.
- Brand means short term incentives of non-recurring nature used to stimulate consumer purchasing and dealer effectiveness.
- Brand means any identification mark used to identify the product of a seller and to differentiate it from the products of competitors.
- Brand means the exchange of goods and service for money.

#### Question 2

[10]

**Answer the following questions:**

- Distinguish between (any one point):
  - Fixed cost and Variable cost
  - Capital Market and Money Market
- Justify the following:
  - Every transaction is recorded in at least three accounts.
  - Human resource management is only action oriented rather than being people oriented.
  - Selection is a positive process.

#### Question 3

[10]

**Answer the following questions:**

- State *any two* advantages of cost-plus pricing strategy.
- What is Greenhouse effect?
- What do you mean by the term food adulteration?
- Explain any two features of Income and Expenditure account.
- Define the term *Book-keeping*.

### SECTION – B (60 Marks)

(Answer *any four* questions from this Section)

#### Question 4

- Distinguish between marketing and selling. (Any five) [5]
- State *five* uses of Receipts and Payments account. [5]
- With reference to Public Relations, write a short note on Role of ethics in business. [5]

#### Question 5

- Discuss *any five* reasons as to why Advertisements are criticised. [5]
- "Packaging is a silent salesman." Give *five* reasons to justify. [5]
- Explain need and the importance of Training. [5]

#### Question 6

- Differentiate between Sales promotion and Advertising. (*Any five*) [5]
- Explain *any two* Lending Money functions of Commercial Banks. [5]
- Write a short note on:
  - Chernobyl disaster
  - Bhopal Gas Tragedy

#### Question 7

- Explain *five* uses of Balance Sheet. [5]
- With reference to functions of Human Resource Management, explains procurement function. [5]
- Briefly explain *any five* benefit of consumer education. [5]

#### Question 8

- Define the term GAAP, Explain the need of GAAP for accounting. [5]
- Describe the *five* various internal sources of recruitment. [5]
- What do you mean by the term Overheads? Explain various types of Overheads. [5]

#### Question 9

#### CASE STUDY

*British carmaker MG has confirmed the launch of a new affordable Electric Vehicle (EV) in India in the first half of 2023. The brand also revealed that this newly developed EV will come with an affordable price tag of around rs 7-8 lakh.*

*Although the firm has not yet disclosed the details of the EV's body style, this new pure-electric offering will most probably complete against the Tata Nexon EV. Besides this, the MG's upcoming EV will utilise a new platform and could offer a sub-300 km of travel range on a single charge.*

MG Motor has also announced that it will invest in nurturing young talents through its initiatives like the MG Nurture program. The carmaker plans to collaborate with 50 institutes through the program to train one lakh students on the latest technologies regarding EVs.

Electric cars produce zero exhaust emissions, which means they do not emit any harmful exhaust gases into the air. This can benefit the environment as exhaust gases can negatively impact various health conditions and also have an impact on climate change. EVs are more efficient, and that combined with the electricity cost is cheaper than filling petrol or diesel for your travel requirements. Using renewable energy sources can make the use of EVs more

eco-friendly. They mainly reduce noise levels which are hazardous to human health.

[Source-auto.hindustantimes.com]

With reference to the case study answer the following questions:

- (i) In which stage of product life cycle can Electric Vehicles be placed? Explain this stage briefly. [5]
- (ii) Which type of training can be undertaken by MG Motors to train its employees? Briefly explain. [5]
- (iii) Explain the effects of pollution on human health. [5]

# ANSWERS

**Answer-1**

- (i) **Option (a) is correct.**  
**Explanation:** Pioneer advertising is also known as concept advertising. It is used when a new product is introduced to educate the people, how the product will change the life style.
- (ii) **Option (b) is correct.**  
**Explanation:** Ledger is also called the principal book as it is the book of final entry. All the transactions which are first entered in the journal or subsidiary books are finally entered into the ledger.
- (iii) **Option (d) is correct.**  
**Explanation:** Placement assigns suitable jobs to the selected candidate which matches employee qualification with job requirements.
- (iv) **Option (b) is correct.**  
**Explanation:** In a Future market, there is no immediate physical transfer of goods. The motive is to earn profit due to price fluctuation.
- (v) **Option (c) is correct.**  
**Explanation:** In the sales-oriented stage, the main focus shifts from production to selling. The products could not be sold without an effective sales force. It involves hard selling the product without giving attention to whether the product was actually needed or not.
- (vi) **Option (d) is correct.**  
**Explanation:** Advertising helps to meet the competition in the market is an advantage to the producers and sellers, not to the consumers.
- (vii) **Option (c) is correct.**  
**Explanation:** Integration function is the process of reconciling the goals of an organization with those of its members. It includes motivating an employees by financial and non-financial incentives.
- (viii) **Option (c) is correct.**  
**Explanation:** Eco club plays an important role in the creation of environmental awareness amongst the students.
- (ix) **Option (b) is correct.**  
**Explanation:** Persuasion is important element of public relations. To persuade means to convince another person or a group to do something . It is through some kind of communication that persuasion takes place.
- (x) **Option (c) is correct.**  
**Explanation:** Costs incurred other than material and labour for production and distribution and for management of the organization are called expenses. Expenses may be direct or indirect.
- (xi) **Option (a) is correct.**  
**Explanation:** Marketing is an integrated process that creates value in goods at particular place and time.
- (xii) **Option (d) is correct.**

**Explanation:** Income and expenditure account is prepared by a non-trading organization to ascertain the surplus or deficit for an accounting year.

- (xiii) **Option (b) is correct.**  
**Explanation:** Renewable energy is the energy which is not exhausted even after continuous utilisation. They are available in very high quantity; Natural gas is a non-renewable source of energy as its supply is limited and it will get exhausted.
- (xiv) **Option (b) is correct.**  
**Explanation:** It is a Latin term which means let the sellers beware. It fosters consumer welfare by making the sellers accountable for the quality of goods produced and the services offered.
- (xv) **Option (d) is correct.**  
**Explanation:** The main aim of marketing is to create profits by satisfying the needs and wants of the customers.
- (xvi) **Option (c) is correct.**  
**Explanation:** Clearing house function is performed by the Central bank where it settles the claims of cheques of the commercial banks.
- (xvii) **Option (d) is correct.**  
**Explanation:** Print media is the oldest form of an advertising.
- (xviii) **Option (c) is correct.**  
**Explanation:** On-the-job training involves learning by actually doing the job.
- (xix) **Option (b) is correct.**  
**Explanation:** Values are the set of behaviours which are considered desirable by the society. These values need to be inculcated through education in the students.
- (xx) **Option (c) is correct.**  
**Explanation:** Brand helps in the identification of a product in the market.

**Answer-2.**

- (i) (a) The difference between Fixed cost and Variable cost is:

| Basis            | Fixed cost                                                             | Variable cost                                                          |
|------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| Meaning          | Fixed Cost remains constant within activities and a given time period. | Variable cost varies in proportion to changes in the volume of output. |
| Volume of Output | Fixed Costs decrease with increase in the volume of output             | These increase with increase in the volume of output.                  |
| Controllable     | It is not controllable in the short-run.                               | These are controllable in the short-run.                               |

[Any one]

(b) Difference between Capital Market and Money Market:

| Basis             | Capital Market                                                                                               | Money Market                                                                        |
|-------------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Type              | It is a specialised market for providing long-term finance to businesses.                                    | This is a special market which provides short term finance to business enterprises. |
| Elements involved | It comprises of special financial institutions, stock exchanges, investment trusts, insurance companies etc. | It includes various banks for making money available to businesses.                 |
| Volatility        | Highly volatile but less than commodity market.                                                              | It is less volatile.                                                                |

[Any one]

(ii) (a) Against

Every business transaction has two-fold effects or every transaction affects at least two accounts. This concept is the base on which Double Entry System of Book Keeping is based. According to this principle, every debit has a corresponding credit.

(b) Against

Human resource management is the process of binding people and organizations together, so that the objectives of each are achieved. It is people oriented because employees have different personalities, attitudes, needs and values which need to be taken care of. It is also action oriented as it focuses on action rather than record keeping or written procedures and rules.

(c) Against

Selection is a negative process. It implies judging the suitability of different candidates for jobs in the organization and choosing the most appropriate among them. It involves elimination of candidates at every stage.

**Answer-3.**

(i) Two advantages of cost-plus pricing strategy are:

- **Flexibility:** It allows businesses to adjust prices quickly based on the cost of material and other expenses.
- **Simple method:** This method is simple to understand and does not require any additional market research.

(ii) Greenhouse effect means the progressive warming up of the Earth's surface due to the blanketing effect of man-made carbon dioxide in the atmosphere. It makes the earth warm and habitable. The greenhouse gases act as a thermal blanket surrounding the earth.

(iii) Food adulteration means deliberate mixing of low quality, undesirable, inedible and even toxic

materials in food items. For example: Grit and stone pieces in cereals.

(iv) Two features of income and expenditure account are:

- It is always prepared for a particular period usually one accounting year.
- It is a nominal account containing all incomes and all expenses during the year for which it is being prepared.

(v) Book keeping is a part of accounting which deals with recording and classifying of business transactions in the original books of entry.

**Answer-4.**

(i) The difference between marketing and selling is:

| Basis             | Marketing                                                                                                      | Selling                                                                                                                             |
|-------------------|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Meaning           | It is a wider term. It includes not only selling but also other activities such as advertising, research, etc. | It refers to an exchange of goods for money between the sellers and buyers. It involves the distribution of goods already produced. |
| Objective         | It aims at the maximisation of customer satisfaction.                                                          | It aims at profit maximisation.                                                                                                     |
| Beginning and end | It begins before production and continues even after the sales have been affected.                             | Selling begins after the goods are produced and ends with the delivery of goods to customers.                                       |
| Focus             | It emphasises on long-term goals such as growth and stability.                                                 | It emphasises on short-term goals like profit maximisation.                                                                         |
| Need              | It takes care of the needs of the buyer.                                                                       | It takes care of the needs of the seller.                                                                                           |

(ii) The uses of receipts and payments account are:

- **Base for income and expenditure account:** It acts as the basis for preparing the income and expenditure account and the balance sheet.
- **Cash position:** It indicates the cash position of the organization both at the beginning and at the end of an accounting year.
- **Information to members:** It informs the members about main sources of income and major items of payments of the organization.
- **Legal requirement:** It is legally required under the Cooperative Societies Act or other laws. Therefore, it fulfils the statutory requirements.
- **Verification:** The receipt and payment account is also used for verifying the cash book.

(iii) Business ethics means a set of moral standards which businessmen are supposed to follow in their business activities. Public relation professionals need to remain within ethical boundaries as they

share information with the masses and manage the brand image of their respective clients. Respecting confidentiality, ensuring accuracy in information dissemination, and avoiding conflicts of interest are key elements of ethical conduct in public relation. Without ethics, the public relations cannot exist in the business. The main function of public relations is to maintain the trust and credibility for the organisation and ethics are paramount to earning trust. Ethics ensure that the professionals adhere to high moral principles and values in business.

**Answer-5.**

- (i) Advertisements are criticised because:
- (a) **Higher price:** Advertising increases prices of products to consumers because the expenses incurred on advertisement are passed on to consumers.
  - (b) **Creation of Monopoly:** Big firms are in a position to spend huge amounts of money on advertising. Small firms cannot compete with them and ultimately fail. As a result, big firms become monopolies and use their monopoly power to exploit consumers.
  - (c) **Wastages of resources:** The money spent on advertising is a sheer waste because it does not add to the utility of products and services. Most of the advertisement are either ignored or escape the attention of consumers. Advertisements do not create new demand but only shift demand from one product to another.
  - (d) **Deceptive and untruthful:** To impress the people, false statements and exaggerated claims are made in advertisements. As a result, innocent people are misled to buy inferior and even worthless products.
  - (e) **Extravagance:** Advertising tempts people to buy goods which they cannot afford. They become extravagant and do not hesitate even to adopt corrupt practices to earn more.
  - (f) **Vulgarity:** Advertisement exploits emotions and sentiment of people. Several advertisements are vulgar, obscene and stupid. They are offensive to public decency and insulting women. However, this can be checked by enforcing moral and ethical standard in advertisements. Advertising is used to promote sales of harmful products such as cigarette, liquor, etc.
- (ii) Packaging is the act of designing and producing the container or wrapper of the product. It is called silent salesman, because it helps in product promotion and increases the sale of the product.
- Packaging plays an important role in the self-service stores as it helps in the identification of products of a particular brand.
  - Attractive packaging attracts the attention of people at the point of purchase and many times it work even better than advertising.
  - Packaging makes the identification of the product easy. Users are able to identify and remember the product.

- Packaging provides all the essential information about the product including its ingredients, uses, directions etc. thus, making it a silent salesman.
  - Consumers assess the quality and features of the product by the packaging.
- (iii) Training is the process by which employees learn new knowledge and skills that are helpful to achieve goals. Training is important because:
- **Employee productivity:** Training enhances the employee productivity both in terms of quantity and quality which leads to higher output and profit for the firm.
  - **Reduces absenteeism:** As trained employees are satisfied and interested in their work, there will be less absenteeism.
  - **Adaptation to change:** Training helps the firm to adapt the dynamic business environment as trained employees are able to adapt the changes easily.
  - **Reduces wastage:** Training makes the employees more efficient to handle the machinery which reduces the wastage and accidents.
  - **Improves employee morale:** Training equips the future managers to take up higher positions. It improves their skills and knowledge which in turn increases the employee morale.

**Answer-6.**

- (i) The difference between sales promotion and advertising is:

| Basis      | Sales promotion                                                              | Advertising                                                                                                      |
|------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Meaning    | It includes the activities which stimulate the employees to buy the product. | Any paid form of impersonal presentation and promotion of a product or service or idea by an identified sponsor. |
| Duration   | Short-term                                                                   | Long-term                                                                                                        |
| Aim        | To increase the sales                                                        | To build the product image and increase the sales.                                                               |
| Regularity | Limited period, non-recurring.                                               | Regular and recurring.                                                                                           |
| Means      | Free samples, coupons, contests, offers, exhibitions, etc.                   | Newspapers, TV, radio, films, other media.                                                                       |

- (ii) **Two lending money functions of commercial banks are:**

- **Accepting Deposits:** It is the most important function of commercial banks. They accept deposits in several forms according to the requirements of different sections of the society.
- **Advancing of Loans:** The deposits received by banks are not allowed to remain idle. So, after

keeping certain cash reserves, the balance is given to needy borrowers and interest is charged from them, which is the main source of income for these banks.

- (iii) (A) **Chernobyl Disaster:** The Chernobyl Disaster occurred on April 26, 1986 at the Chernobyl Nuclear Plant located in Chernobyl city of Ukraine. It is considered to be the worst accident in the history of nuclear power generation. A plume of radioactive fallout drifted over the surrounding area. Large areas of Ukraine, Belarus and Russia were badly contaminated. It caused at least 80% of direct deaths. More than 9,000 people died from some form of cancer. About 6.6 million people were exposed to radiation.
- (B) **Bhopal Gas Tragedy:** In 1984, there was accidental release of 40 tonnes of Methyl Isocyanate (MIC) from the factory of Union Carbide India Limited, located in the heart of Bhopal city (Madhya Pradesh). This was an industrial disaster. It caused more than 15000 deaths and injured more than 60000 persons. The majority of deaths and serious injuries were related to pulmonary edema. But the gas also resulted in variety of other ailments.

#### Answer-7.

(i) Below are some of the uses of a balance sheet:

1. **To Determine, If Working Capital is Enough:**  
The balance sheet is used to determine if the business has enough working capital to sustain its operation. Working capital is the difference between current assets and current liabilities. It measures if the company still has enough current resources after deducting its due loan or obligations. If the result of computation is positive, that means the company is still doing okay. On the other hand, if the computation becomes negative, that means the company is in trouble. There's a high risk of bankruptcy or inability to continue operating.
2. **To Know the Business Net Worth:**  
Net Worth is defined as the true value of an entity. It shows how rich or poor it is. It is computed by the difference between total assets and total liabilities. In simple terms, net worth is the amount the investor/owner owns from the company after deducting all the liabilities.
3. **To See, If The Company Can Sustain Future Operation:**  
By looking at the balance sheet, you can determine if the company can sustain future operation. To do this, look at the value of its non-current assets such as property, plant and equipment. If the total is higher than the current assets, it means the company has plans to sustain future operations. On the other hand, if the amount is already lower than the current assets, it can be an indication of inability to sustain future operation.

#### 4. To Identify, If There's Possible Issuance of Dividend:

Most business owners/investors are interested to know if when will they receive returns from their investment. Such returns can be in the form of Dividends. Dividends are issued if the company is profiting and has high amount of retained earning. The balance sheet shows the balance of retained earnings. By looking at it, you can determine if the company has enough retained earnings or not.

#### (ii) Procurement function of HRM

It is related with securing and employing right kind of people according to the goals of the organisation. It includes:

- (a) **Job analysis:** It is the process of studying in detail, the operations and responsibilities involved in the job, so as to identify nature and level of human resources required to perform the job effectively. Job description and job specification are prepared with the help of information provided by job analysis.
  - (b) **Human Resource planning:** It is the process of estimating the present and future man power requirements of the organisation.
  - (c) **Recruitment:** It is the process of searching for required personnel and stimulating them to apply for the job through internal and external sources.
  - (d) **Selection:** It implies judging the suitability of different candidates for jobs in the organisation and choosing the most appropriate among them.
  - (e) **Placement:** It assigns suitable jobs to the selected candidate so as to match employee qualification with job requirements.
  - (f) **Induction:** It involves familiarising the new employees with the organization, the work environment and existing employees so that they feel at home.
- (iii) Consumer education means making consumers aware of their rights and duties. It plays a vital role in protecting the environment. Consumer education helps consumer realise that their actions can make a difference to the environment.
- The benefits of consumer education are:**
- (a) **Public Awareness:** Consumer education helps the society as the consumer knows about the product being sold and they can make a rational decision by knowing all the pros and cons of the product.
  - (b) **Stability in society:** With consumer education, stability in the society can be achieved as the consumer can choose among the goods that fall within their budget. Furthermore, it promotes the sale of goods throughout.
  - (c) **Economic Growth:** When the consumers are educated about the products there is a minimal chance of them not making a rational decision of buying the product. This increases the demand and so the consumption expenditure, which fosters the economic growth.

- (d) **Helps in choosing the right product:** When the consumers are educated, they are able to critically think about the product and make an informed decision regarding the product.
- (e) **Increases sales:** When the consumers are educated, the customer loyalty and retention increases. The consumers are satisfied with the product. This increases the sale of the product.

**Answer-8.**

- (i) GAAP refers to Generally Accepted Accounting Principles. They are concepts, conventions and standards which are widely accepted and adopted by accountants while recording and reporting the financial information.

The GAAP compliances makes the reporting process transparent. They help to standardise the assumptions, terminologies, definitions and accounting methods. They make the comparison of financial statements easy. GAAP standards provide consistency in the financial accounts. They allow the investors to evaluate the performance of the company by reviewing the financial statements. It helps maintain consistency in preparation of financial accounts.

- (ii) The internal sources of recruitment are:

- (a) **Transfer:** It involves shifting of an employee from one job to another, one department to another or from one shift to another, without a substantive change in the responsibilities and status of the employee.
- (b) **Promotion:** Promotion leads to shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay.
- (c) **Demotion:** It involves movement of an employee from higher level employment role to a lower level one. It happens when the employee is not performing well. Organizational restructuring or due to modification of business requirements.
- (d) **Ex- employees:** Previous employees are one potential source of internal recruitment in which the employees who have worked earlier in the organization are called upon for different posts. The employees are known to the organisation and their skills and expertise can be used efficiently.
- (e) **Internal job posting:** It involves posting the jobs within the organization and inviting the employees to apply for them. This method helps in identifying and promoting employees with potential and also provides equal opportunities to all employees.

- (iii) Overheads refers to the ongoing business expenses which cannot be directly attributed to creating the product or service. These are the costs which are not related directly to the production activity and have to be paid even if even there is no production like the rent, insurance etc. Overhead costs include the:

- (a) **Indirect material cost:** Indirect materials are those materials which cannot be directly put to the specific product but which can be apportioned.
- (b) **Indirect labour cost:** Indirect labour means the labour which cannot be wholly and directly identified with a particular product.
- (c) **Indirect expenses:** Indirect expenses are those expenses which cannot be wholly and directly identified with a specific product identified with a specific product or job.

**Answer-9.**

- (i) The EVs are in the introduction stage. Product is introduced in the market with intention to build a clear identity and heavy promotion is done for maximum awareness. Before actual offering of the product to customers, product passes through product development, involves prototype and market tests. Companies incur more costs in this phase and also bear additional cost for distribution. On the other hand, there are a few customers at this stage, means low sales volume. So, during introductory stage, company's profits show a negative figure due to high cost and low sales volume. At introduction stage, the company's core focus is on establishing a market and arising demand for the product.
- (ii) The company can indulge in internship training. It is a joint programme of training in which educational institutions and business enterprises collaborate. The aim is to maintain a balance between theoretical and practical knowledge.
- (iii) The effects of pollution on human health are:
- Air pollution can increase the particulates in the environment which can damage the lungs and lead to respiratory disorders.
  - Air pollution also has an inflammatory effect on the heart and it increases the blood pressure and pose a risk to the human heart.
  - Pollution increases the risk of death among the population.
  - Pollution poses a risk to the health of the people and makes them sick.
  - Noise pollution leads to stress related illnesses, high blood pressure, speech interference, hearing loss, sleep disruption, and lost productivity.